



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

Representatives Present During the Inspection:

Company	Dan Guy
OGM	Pete Hess Environmental Scientist III

Inspection Report

Permit Number:	C0070022
Inspection Type:	COMPLETE
Inspection Date:	Friday, November 18, 2005
Start Date/Time:	11/18/2005 8:50:00 AM
End Date/Time:	11/18/2005 2:00:00 PM
Last Inspection:	Thursday, October 27, 2005

Inspector: Pete Hess, Environmental Scientist III

Weather: Sunny, clear, mid-forties F.

InspectionID Report Number: 789

Accepted by: whedberg
12/9/2005

Permittee: **SAVAGE SERVICES CORP**

Operator: **SAVAGE SERVICES CORP**

Site: **SAVAGE COAL TERMINAL**

Address: **6340 S 3000 E STE 600, SALT LAKE CITY UT 84121**

County: **CARBON**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

Current Acreages

160.00	Total Permitted
122.28	Total Disturbed
	Phase I
	Phase II
	Phase III

Mineral Ownership

- ☐ Federal
☐ State
☐ County
☐ Fee
☒ Other

Types of Operations

- ☒ Underground
☒ Surface
☒ Loadout
☐ Processing
☐ Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The Permittee continues to meet the Special Permit Condition included as Attachment "A" of the current State permit, which requires the submittal of all quarterly surface water monitoring information in an electronic form to the Division web site.

There are no compliance actions currently pending for the Savage Coal Terminal permit area.

Inspector's Signature

Date Monday, November 21, 2005

Pete Hess, Environmental Scientist III

Inspector ID Number: 46

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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Inspection Continuation Sheet

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REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

Mr. Guy indicated that the Permittee is evaluating the possibility of refitting the preparation plant in order to wash coal at this site. Settling ponds will be necessary for the proposed process. These may be located in the NW corner of the property, which is generally undisturbed acreage.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Mr. Guy conducted the fourth quarter / annual impoundment inspections for the site's five sediment ponds on October 27th, 2005. Ponds #2, #3, and #5 have approximately two-tenths of an acre foot of sediment storage capacity remaining prior to reaching the 60% sediment cleanout elevation. Pond #6 has one-tenth of an acre foot of sediment storage capacity remaining prior to reaching the 60% cleanout elevation. Mr. Guy informed Mr. Bob Mills, Savage Services Corporation representative this day, of the need to address the cleanout of pond #6. Pond #6 was observed to contain a near maximum water volume this day. There were no hazardous conditions noted for any of the site's five impoundments. The inspection reports were certified by Mr. Guy on the same day as the date of inspection. As previously noted, the fourth quarter inspections will also serve to fill the annual impoundment inspection / certification requirements for the five impoundments.

4.d Hydrologic Balance: Water Monitoring

The fourth quarter surface water monitoring requirements for the Coal Terminal permit area were conducted on November 3, 2005. One sample was obtained at monitoring point CV-1-W. There was no flow observed at the road crossing this day where the treated effluent prepares to leave the disturbed area.

7. Coal Mine Waste, Refuse Piles, Impoundments

The Permittee recently submitted an application to the Division to utilize up to 100,000 tons of coal mine waste from the on site disposal facility. The material is to be hauled off site to a processing / cleaning facility which will use an air cleaning process to enhance the material. Reject from this cleaning process will be returned to the Savage permit area for final disposal. Savage Services Corporation will obtain a sample from every 5000 tons of reject material, and have that material analyzed for acid and toxic potential prior to returning the reject to the Savage permit area for final disposal.

Other parameters which will be analyzed for include those listed in Tables 3 and 7 of the DOGM "GUIDELINES FOR MANAGEMENT OF TOPSOIL and OVERBURDEN", October 2005 edition. A conditional approval of this amendment was made to the DOGM Salt Lake headquarters. Mr. Dan Guy, P.E., conducted the fourth quarter 2005 waste rock disposal site inspection / P.E. certification on October 27, 2005. Mr. Guy's inspection did not note any hazardous conditions relative to the refuse disposal facility.

8. Noncoal Waste

Today's inspection of the area immediately NE of the office building revealed that there are numerous pieces of steel (an old track rail, steel scrap pieces, etc.) scattered for a distance of about 125 feet along the edge of the pad. The Permittee was asked to clean these items up and place a berm along the edge of the pad to direct any disturbed area runoff toward the culvert designated as C-12 (18 inch CMP). The Permittee's representative agreed to do this work.

9. Protection of Fish, Wildlife and Related Environmental Issues

The fenced area behind the office building contained an area of discolored soil, probably due to petroleum or diesel fuel contamination. The Permittee was asked to remove the discolored soil, and properly dispose of it. The use of drip pans was discussed with the Permittee; these can be placed under equipment which have leaks rather than to allow the lubricants to impact surface water quality.

18. Support Facilities, Utility Installations

The Permittee continues to make progress on the construction of the new maintenance shop facility. Concrete base walls have been formed atop the footers. Blackhawk Engineering will submit a revised surface facility map upon completion of these construction activities. Mr. Guy intends to look at the need for revising the current SPCC plan to reflect the addition of used oil storage at this new facility. The SPCC plan received its last P.E. certification in December 2002.

20. Air Quality Permit

Ambient air temperatures during the day have been in the 40-50 degree range, with night-time temperatures dropping into the mid-twenties Fahrenheit. Mr. Bob Mills indicated that the Permittee continues to operate a water truck in order to control roadway dust during the day time hours. It should be noted that fugitive dust emissions from the COVOL site did not appear to meet the maximum 20% opacity limit. Mr. Guy completed an emission inventory as required by the Utah Division of Air Quality in March of 2003.

21. Bonding and Insurance

The Permittee's current general liability insurance remains current until April 1, 2006. A coverage amount of \$10,000,000 is in place for the general aggregate, with \$5,000,000 established coverage for the each occurrence requirement. The amount of reclamation bond, (\$2,525,000) was last reviewed by the DOGM in February of 2004.